

Submission
No 3

**INQUIRY INTO LONG TERM SUSTAINABILITY AND
FUTURE OF THE TIMBER AND FOREST PRODUCTS
INDUSTRY**

Organisation: Great Southern Forest Steering Group

Date Received: 17 April 2021

The Great Southern Forest Proposal submitted herewith is a template that could be applied to any native forest area, though particularly to the South East of NSW which has been under industrially extraction practices for at least 4 decades.

This Proposal outlines a range of truly ecologically sustainable recommendations for the management of diverse native forests and their adjacent communities.

Kind regards,

Great Southern Forest Steering Group

Great Southern Forest Proposal

Great Southern Forest (GSF)

Great Southern Forest is a comprehensive proposal for the public native forests of south eastern NSW; the proposal focusses on solutions which work for the region environmentally, socially and economically. The proposal has been deeply researched by local people over several years with the help of academics, public servants and local experts. It is deliberately inclusive as we want grounded, feasible futures for all in our community. The values underpinning GSF are oriented to a liveable and positive future for the present community and those who are yet to be born.

The focus of GSF is the 470,000 ha of publicly owned native forests in the SE NSW from Nowra to the border and west to Tumut.

The key to the proposal is a fundamental change in the management of our public native forests from timber extraction to management for ecological integrity of the continent, climate stability carbon sequestration and water security.

We are not asking for further National Parks but a re-orientation in how our public forests are managed.

To achieve this, the Regional Forest Agreements need to be terminated and wood-chipping ceased.

Regional Forest Agreements (RFAs)

We are coming to a once in a life-time decision for our forests, namely the end date for the RFAs.

The RFAs were established in the mid 1990s by the federal Labor government as a resolution of tensions - 85% of the public wanted an end to wood-chipping while there was extensive pressure from the timber industry and CFMEU to continue business as usual.

RFAs are agreements between the federal government and four state governments. They guarantee 20 years of wood supply to the timber industry or the public pays compensation. Commonwealth environmental legislation is suspended in RFA areas. Some new National Parks were created. Logging contracts are negotiated by state governments who are responsible to monitor these processes in the forests. This latter responsibility has been under-resourced with huge environmental destruction to water, soil, canopy, species degradation, habitat and vital life systems as a consequence.

Locally there are two RFA regions, Eden and Southern. Over the 20 year period, in the Eden region over 95% of trees cut down go to Australia's oldest woodchip mill at Eden. It is

around 70% for the Southern region. These magnificent trees, the most carbon dense on the planet, are chopped into chips and end in the rubbish dumps and polluted skies of Asia.

There is no future in native forest wood-chipping. In the 20 years of RFAs' prescriptions for native forests, the timber/woodchip industry has declined markedly. Locally, jobs have gone from around 500 to less than 200, economic losses have been subsidised by the public (\$79m over 5 years), the forest environment has been devastated, and the fire risks have increased.

The 19th century extraction mentality and narrow focus embedded in the RFAs is wildly outdated.

Plantations: the future for Australian timber

The future of the timber industry is, however, positive and now lies in a completely different direction. The good news is the existing, mature plantations. Mature hard and soft wood plantations can now supply all of our national timber needs and still be able to export. South Australia already uses 100% plantation timber and it is over 80% in NSW. The plantations in western Victoria, called the 'green wall', are on line with an abundant over-supply. Over 80% of all timber jobs are already in plantations and these are increasing.

Michael O'Connor, the National Secretary of the CFMEU, has stated that the native forest logging industry has collapsed and that plantations are the future for timber workers.

The planetary context for the Great Southern Forest

The GSF proposal is situated in an appreciation of the positive contribution that forests have to ameliorating complex, pressing, global and regional problems. In the drafting of the RFAs there was no government recognition of climate disruption and the role of forests in climate stabilisation and carbon sequestration.

With emphasis on emissions reduction natural systems which draw down carbon emissions are somewhat overlooked. The main two natural systems for drawing down carbon dioxide from the atmosphere are oceans and forests. Oceans are warming and acidifying. However, forests, as recognised at the Marrakech Climate Talks, can play a major role in climate stabilisation. Trees draw in atmospheric carbon dioxide, sequester it as terrestrial carbon and release oxygen into the atmosphere. This vital homeostatic activity stabilising planetary temperature must be supported and fostered by allowing forests to do exactly that. Cycles of cutting and regrowing forests depreciates carbon stocks and releases emissions. This practice collapses and compacts the soil leaving arid and more fire-prone forests. Logged

forest hold 40 – 70% less carbon than unlogged forest – so there is enormous potential in now managing logged forest to return to their carbon sequestering capacity.

Forests are dynamic living entities enmeshed in our planet’s macro-systems ensuring the conditions for Life. UN studies relate the health of an environment to community health and well-being, and also economic success. Forests exemplify inclusion, cohesion and unity-in-diversity – offering life lessons recognised in many spiritualities and cultures. “Forest bathing”, a Japanese practice of simply being in a forest, is documented by university studies as improving health problems eg cardiovascular issues; rate of wound healing.

Opening forests up

The GSF proposal advocates opening up forests for multiple, diverse, benign uses.

A proposal in Victoria parallel to GSF investigated by NOUS (an international consultancy group) demonstrated compelling results. Over a 10 year period with only government input there would be 520 full-time, new jobs and \$46.8m profit annually. With government and appropriate private partnership 760 full-time, new jobs and \$71m annually would be generated. Establishment costs were \$11/ha.

Examples of access and activities include dog-walking; 4WD and motorbike designated areas; pony trails; mountain bike tracks; simple camp sites (listed variously to reach groups such as ‘grey nomads’); eco accommodation; glamping sites; walking tracks – multiple day walks, one day and short (some already exist in SE NSW eg Bundian Way, Wilderness Coast Walk, Gulaga); cultural activities; nature tours; volunteer programs; scientific research; citizen science; all levels of education; university and school partnerships; Indigenous partnerships; access for spiritual and ceremonial purposes.

The GSF proposal to manage our public forests in SE NSW for the significant values of ecological integrity, climate stability, carbon sequestration and water cycles can co-exist with these varied benign activities. Utilising our public forests in this way would take pressures off National Parks which have very important yet differing responsibilities

The infrastructure required is simple, hence the low establishment costs of \$11/ha.

Infrastructure includes roads, paths, signage, picnic sites, camping sites, drinking water, toilets, interpretive information and maps. These would be sited to enable access to places of natural beauty and interest. Private enterprise possibilities include tours, posh camping, flying fox, tree walks, and eco-lodges (which could be placed near special areas in adjacent National Parks).

Nature tourism is expanding rapidly. 68% of international tourists to Australia say they are looking for a nature experience. Visitor expenditure analysis indicates that international visitors

spend \$56 for a day trip and \$345 overnight and domestic visitors spend \$80 for a day trip and \$889 for longer stays. This is direct additional input to the regional economy.

Examples of similar approaches for public forest management such as the west coast of New Zealand's South Island, despite initial opposition and fears, show the communities to be thriving.

Employment solutions

The GSF proposal can create new diverse jobs. Some job and career examples are horticulture, nurseries, road and track maintenance, fire management, re-forestation, weed and pest control, and visitor management. The scope of employment not only offers options for existing timber workers but could address the high unemployment rates for local youth and Indigenous people. There are several existing funded schemes that enable Indigenous people to work on Country and further potential for Indigenous partnerships.

Jobs in native forests have steadily declined and now are few in this highly mechanised industry. Around only 600 people are directly employed in the native forest sector in NSW.

At present in the SE from Nowra to the Victorian border and west to Tumut, there are less than 200 native forest jobs including 60 which are Forestry Corporation employees, and 140 without them (37 at the Eden Woodchip mill and less than 100 in the forest). The attrition of hundreds of jobs has been due to mechanisation and cost cutting. There are approximately 60 Forest Corporation workers over-seeing the cutting of our public forests in the region – these jobs could be re-orientated to managing the forests for the different proposed outcomes and uses.

Care for the timber workers is part of the GSF focus. Under processes of 'Just Transitions' it is proposed these workers are prioritised for the new GSF jobs and/or supported into other areas of employment. Some older workers may prefer pay-outs. Governments have experience in how to execute these transitions successfully.

As stated, 80% of timber jobs in NSW are in plantations. Locally there are state owned plantations in production in the Boballa region nearby to Eden; this proximity offers potential for existing workers in public native forests.

Environmental solutions

Implementation of the GSF proposal can reverse environmental damage. Management which takes a whole-of-the-landscape approach can address the fragmentation of the forest environment, making the connections vital for environmental resilience and biodiversity by allowing movement of animals, insects and plants needed for thriving life.

Forests are vital in the local and continental water systems. Forests absorb, filter and retain water, feeding the soil, supporting growth and replenishing the springs, creeks and rivers, delivering pure water into the estuaries. In macro-systems of landscape topography, forest also make and attract rain.

The forest canopy is damaged in logging. The forest canopy protects the understory, the forest floor and fosters the retention of moisture. Opening the canopy by logging destroys this protection and so inhibits the conditions for varied species to grow. Soil needs the moisture and conditions to build humus, the fungi and bacteria to create fertility.

Logging increases fire risk for the forests and adjacent communities. Importantly, destroying the forest canopy causes drying leaving a drier, more fire-vulnerable forest. Research clearly shows that logged forests are more fire prone than undisturbed forests.

Economic solutions

Native forest logging in the state forests of NSW is both uneconomic and environmentally damaging, and the longer it goes on the worse the outcomes will be. It is no longer necessary as plantations provide for wood needs and are the basis of NSW's substantial timber processing industries.

Contrary to much industry spin, ceasing logging in the SE will not be a disaster for regional economies - the current contribution is small. In fact such a transformation will reduce problems for some existing industries and open opportunities for new industries to develop such as the growing nature tourism sector. In the SE NSW region, tourism is the third largest regional employer after health and education. The proposed change in orientation of forest management would enable economic benefits to be shared widely throughout the community rather than to primarily one company.

Nor will seeking out markets for biomass for electricity and biofuels make either economic or environmental sense—quite the reverse: it will maintain and arguably compound the losses from native forest logging, not to mention impact on other industries/sectors while increasing green-house gas emissions. Conversely, ceasing logging of native forests can substantially address Australia's international climate commitments.

Native forest logging is a drain on the public purse. Between 2009 and 2014, the profitable Softwood Plantations Division of Forestry Corporation (formerly ForestsNSW), cross-subsidised native forestry logging to the order of \$79 million. Average losses in other recent years have been \$11 million per year. Thus, native forest logging makes no economic sense and is heavily subsidised by the taxpayer. Adoption of the GSF proposal would turn around the 'pay the polluter' financial burden to generate positive benefits for the local community, regional economy, environment and the planet.

Native forest logging is fundamentally unprofitable, increasingly so. A long history of over-logging in public native forests means yields have dropped sharply and logging is increasingly in regrowth and steeper forest areas to the point now of cutting “super small logs” i.e. very young trees. New and substantial investment would be needed to process smaller logs in the south east; however there is a question mark over whether there is suitable technology for this, and if so, at what cost and born by whom.

Native forest logging in the SE NSW is inefficient. The plantation forests in 2013 provided around 80% of NSW wood supplies. This was achieved on only one tenth of the area of native forests logged for the remaining 20%. The disproportion is likely to be higher now. The inefficiency and unprofitability will increase. Forestry Corporation harvest plans for the South East analysed by Ajani in 2014 showed that post 2013 twice the areas previously needed would have to be logged to maintain wood supply levels, and this made for much higher costs as well as far more environmental detriment.¹ There has also been detriment (much unacknowledged by governments) to other industries that rely on healthy forests - including water supplies, fish and oyster breeding, eco-tourism, and regional tourism generally which is essentially based on natural beauty.

It is now clear that Forestry Corporation cannot cut costs from its native forest operations without major additional detriment to environmental amenity throughout NSW, and particularly so in the south east where logging has been the most intensive since the establishment of the woodchipping industry at the end of the 1960s and is by far the main consumer of the forests.

Under the GSF proposal, in addition to ceasing propping up loss-making practices, there would not need to be allocation of further funds but simply redirection of how present Forest Corporation funds in SE NSW are spent eg for appropriate infrastructure, re-forestation, visitor management etc.

Eco-system services

Forests also provide many tangible eco-system services such as clean water, climate and heat regulation, nurseries for fish breeding, pollination and pest control services for agriculture and aquaculture, storm protection for coastal communities, and physical and mental health benefits for forest visitors. They also provide benefits such as neighbourhood amenity, social cohesion and scientific and educational opportunities.

Life, humanity and the environment are inseparable, a dynamic interactive entity. There is a growing body of research on the value of services provided by ecosystems quantifying the social, economic and personal benefits people gain from ecosystems. Some of this research extends to the beneficial monetary implications of fostering ecosystems and also the costs

¹ Forests are not re-growing as expected by agencies. Logging has led to soil losses and compaction. In higher areas due removal of canopy young regrowth is not protected from frost. Removal of canopy creates drier and more fire-prone forests.

of damaging ecosystems including where guarantees of no harm are violated and where international, national and state legal agreements are transgressed. Under present arrangements, there is advice that Forestry Corporation (and by implication the tax-payer) environmental damage where no harm was guaranteed.

GSF summary

One of the many lessons to learn from Australia's Indigenous peoples is the responsibility to care for the land and sea. Another valuable wisdom is the understanding that healthy Country means healthy community.

The SE state forests are owned by the public and are not the play-things of the government-of-the-day or the providence of a very few private small companies. The expanded outlook of working with nature which is grounded in the GSF proposal offers benefits for the whole community and region, with new jobs, dispersed economic activation, social cohesion and a healthy environment and planet to hand on to future generations.

This proposal has been recognised as a break-through option for native forests and has endorsed by over 50 local, state and national organisations including peak bodies such as the Conservation Council, National Trust, Wilderness Society and National Parks Association – groups with a combined membership of over half a million Australians.

Details of many aspects of this deeply researched and feasible option of changing the management of SE NSW native forest management from timber extraction to management for ecological integrity, climate stabilisation, carbon sequestration and water security can be found on our website www.greatsouthernforest.org.au

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